

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1686 - SB 1643**

February 27, 2016

**SUMMARY OF BILL:** Authorizes the State of Tennessee to sell general obligation bonds by public or private sale at times approved by the Tennessee State Funding Board (Board). Removes the current restriction in Tenn. Code Ann. § 9-9-205 that prohibits the state from selling general obligation bonds by private sale after June 30, 2016. Deletes the Board's periodic reporting requirement of the terms and method of sale of bonds, including the basis for selection of underwriters or other initial purchasers at private sale, to the Chairs of the Finance, Ways, and Means Committees of the Senate and House of Representatives.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent the state is able to procure better terms on a bond issuance by private sale, rather than by public sale, after June 30, 2016, the state will experience a recurring decrease in debt service expenditures of an unknown amount. Otherwise, the fiscal impact of the bill is considered not significant.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 9-9-205(a), bonds are currently sold at public sale after due notice of the sale and approval of the Board. The Board currently has the discretion to sell bonds at private sale until June 30, 2016.
- Removing the reporting requirement on the term and method of sale of bonds to the General Assembly will have no fiscal impact on state government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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